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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000224

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TAGS: [PGOV](#) [PREL](#) [IZ](#)
SUBJECT: VP ADEL ON BUDGET, NEW CABINET, SECURITY, REGIONS,
AND LTSR

REF: A. BAGHDAD 178 (ATTACK ON RUBAIE)
[1](#)B. 07 BAGHDAD 4048 (JAM FREEZE UPDATE)

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Vice President Adel Abdel Mehdi told the Ambassador January 24 that Prime Minister Maliki continues to obstruct passage of the 2008 GOI budget, but it is unlikely that the budget would need to be submitted for an additional, time-consuming cabinet vote prior to final parliamentary consideration. Adel said that Maliki was still mulling over a possible cabinet shuffle and had not yet decided whether his revamped government would have 17 or 21 ministerial posts. He expressed concern over a January 19 attack on NSA Rubaie and requested consultations with the Mission and Coalition Forces to address a possible resurgence of Sadrist militia violence. Acknowledging that legislative debate over a draft Provincial Powers bill turns on the issue of appointment/dismissal of provincial governors, Adel declared that the Islamic Supreme Council of Iraq (ISCI) continues to believe that federalism is appropriate for Iraq and will continue to seek formation of a nine-province southern region in a "wise" and non-divisive manner. Echoing concerns raised by ISCI chief Abdel Aziz al-Hakim, Adel said that problems within Iraq's electoral commission must be resolved in advance of provincial elections. Noting that the Sadrists had left the GOI Political Committee in advance of internal GOI preparation for bilateral long-term security negotiations, Adel said S/I Satterfield's recent comments to the Arab media about such negotiations were helpful. End Summary.

Budget Doldrums

[1](#)2. (C) After receiving a telephonic budget situation report in our presence from GOI Finance Minister Bayan Jabr (who, like Adel, is a senior ISCI official), the Vice President said Maliki is exerting "negative pressure" on the Council of Representatives (CoR) to delay budget passage and that Maliki is using budget delay as a tool in his ongoing dispute with the Kurds. Adel said there is no real CoR opposition to the proposed budget, and that it appears Jabr will be able to prevent the draft budget from being re-submitted to the full cabinet for deliberation and a vote, a move that would only lead to further delay. Stating that the lengthy absence of Deputy PM Barham Saleh is badly hampering the budget process (Barham is not expected back to Baghdad until February 4), Adel said the bottom line is that Maliki must decide whether he wants a budget or not. The Ambassador urged rapid closure, emphasizing that the votes are there now for CoR passage.

New Cabinet, New Flag

[1](#)3. (C) Adel characterized his January 23 "Executive Council" meeting with Maliki, Talabani, and Hashemi as "very positive

on the surface (septel readout from Talabani). The leaders said the right things and had the right attitude" but he warned that time will tell if this cooperative spirit continues. He said that he had urged Maliki to move quickly to re-constitute his cabinet in a manner that would bring Tawafuq back into the fold, formally renew Maliki's PM position, remove poor performers, and improve GOI efficiency, noting that such a move would send a positive signal to the Iraqi public and facilitate political progress on various fronts. Adel claimed Maliki is still grappling with the issue of cabinet size (17 or 21 ministers) and a proper tactical approach. Adel said senior Dawa and ISCI officials were meeting to address these issues.

¶4. (C) The Ambassador thanked Adel for weighing in with Hashemi to overcome the latter's quibbles with the recently-passed De-Baathification law. Adel cautioned that he was taking a wait-and-see approach to Hashemi's stated intention to not block the law. Adel also stated Hashemi had told him that he was unenthusiastic about the new Iraq flag but that a majority of Iraq Islamic Party (IIP) CoR members voted in favor of the new design. Adel said the decision was a good compromise and put a final end to the era of Arab nationalism and Baathism. The Ambassador noted the importance that Iraq's Arab neighbors not view this development as a repudiation of Iraq's Arab nature and said IIP support would help in this regard.

Resurgent or Reduced JAM?

¶5. (C) The Ambassador praised the Iraqi Security Forces for their performance in helping to ensure a calm Ashura Shia religious festival in most of Iraq and in effectively dealing

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with Ashura-related clashes in Basrah and Nasariyyah. Adel agreed that the performance reflected growing capacity but lamented that "we lost some good men last week." He said the security situation in Basrah was improving, but the reported January 19 attack by Jaysh al-Mehdi (JAM) elements on NSA Muwafaq Rubaie as he prayed at a mosque in a JAM-controlled Baghdad neighborhood raised many questions and concerns about Baghdad security and a possible resurgence of JAM operations (Ref A). Speculating that the absence of a visible JAM public presence in last week's Ashura processions could signal either a sign of JAM weakness or reorganization, Adel and the Ambassador agreed to consult closely with Coalition Forces to address the possibility of renewed JAM violence in Baghdad. Adel pointed out that President Talabani was helping to organize an upcoming conference of Adnan Shahmani's "National Gathering," a group that has broken with the Sadrist Trend (Ref B) that Adel characterized as comprised of intellectuals devoted to the ideas of Muhammad Sadiq al-Sadr, Moqtada's late father.

Provincial Powers, Regions, Elections

¶6. (C) Adel warned that unnamed sources (read Maliki) are trying to "manipulate" the draft Provincial Powers bill to reintroduce centralized rule, and that the critical issue is ensuring a degree of provincial independence consistent with Iraq's constitution. Agreeing with the Ambassador's view that democratic experience shows that governors are best elected by their constituents and not appointed by an executive, Adel said the notion that the PM can appoint and dismiss governors violates the constitution. He said ISCI continues to believe that federalism is Iraq's only appropriate model and that the current system "has no future." He predicted that, over time, Sunnis would begin to understand that federalism is also in their interests since strong local governments can contribute to a strong federal government.

¶7. (C) Asserting that ISCI intends to pursue formation of a

nine-province southern region after the GOI region formation law takes effect in April, he vowed that ISCI would act "wisely" and in a spirit of compromise to achieve this goal in a peaceful and non-divisive manner accepted by Iraqis and Iraq's neighbors. Adel continued that, although all UIA parties had previously signed onto the nine-province region approach, there was now opposition within the Shia camp: Fadhila agrees with the concept but feels the time is not right; the Sadrists think the "occupation" must end before moving ahead on region formation; and Dawa fears that the plan will allow ISCI to dominate the entire south.

18. (C) Turning to provincial elections, Adel echoed the oft-stated concerns of ISCI boss Hakim about the true independence of the Independent High Electoral Commission (IHEC) and said the IHEC issue must be resolved prior to elections. The Ambassador related that UNAMI Chief De Mistura had told him that UNAMI assessed the situation differently and believes that free and fair polling can be conducted. He urged Adel to talk to UNAMI. Adel replied he had heard a contrary assessment from former UNAMI deputy von der Schulenburg, but said he would speak to UNAMI.

LSTR

18. (C) The Vice President noted the Sadrists had left the GOI Political Committee in advance of internal GOI preparation for bilateral long-term strategic relationship (LTSR) negotiations in order to distance the Trend from any association with the process. Adel said S/I Satterfield's recent interview with "al-Sharq al-Awsat" newspaper about such negotiations was helpful as it dispelled the notion that the USG sought permanent military bases in Iraq. He said Talabani would chair an upcoming meeting to reviews GOI LTSR preparations.

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